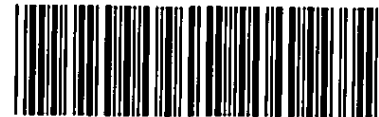


Company Registration Number 05079946

Roland Bardsley Homes Limited

**Directors' Report and Financial Statements
Period ended 31st December 2006**

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Roland Bardsley Homes Limited

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Roland Bardsley Homes Limited

Directors and Advisors

Directors

A Bardsley	(resigned 26th April 2006)
S A Bardsley	(resigned 26th April 2006)
K Spencer	(resigned 26th April 2006)
C Houlihan	(resigned 26th April 2006)
J H Alcock	(resigned 26th April 2006)
D J Ashworth	(resigned 26th April 2006)
P Harper	(resigned 26th April 2006)
H Mears	(resigned 15th March 2007)
R Pinder	(resigned 26th April 2006)
R J R Brooke	(appointed 26th April 2006)
G M Brown	(appointed 26th April 2006 and resigned 21st September 2006)
G C Crisp	(appointed 26th April 2006 and resigned 30th June 2007)
S J Boyes	(appointed 11th June 2007)
C Fenton	(appointed 11th June 2007)
M A Pam	(appointed 11th June 2007)
M S Clare	(appointed 11th June 2007)
L Dent	(appointed 11th June 2007)

Secretary

J S Sherratt	(resigned 26th April 2006)
R G Douglas	(appointed 26th April 2006)

Registered Office

Wilson Bowden House
Leicester Road
Ibstock
Leicester
LE67 6WB

Auditors

Deloitte & Touche LLP
Four Brindleyplace
Birmingham
B1 2HZ

Roland Bardsley Homes Limited

Directors' Report

The Directors submit their report and the financial statements of the Company for the period from 1st July 2005 to 31st December 2006. The comparative period for this report and the financial statements is from 22nd March 2004 to 30th June 2005.

Principal activities

The principal activity of the Company during the period was, and will continue to be, residential development.

Review of the business and future developments

On 26th April 2006 the Company was purchased by David Wilson Homes Limited, a wholly owned subsidiary of Wilson Bowden plc. The Company subsequently changed its year end from 30th June to 31st December and accordingly these accounts are for an eighteen month period.

The key financial results are

- Completions – 233 (2005 104)
- Average selling price – £205,671 (2005 £211,078)
- Revenue – £47,921,451 (2005 £23,138,297)
- Operating profit – £875,619 (2005 £1,793,956)
- Operating margin – 1.8% (2005 7.8%)
- Return on average capital employed – 2.94% (2005 8.36%)

The above measures are the Key Financial Performance Indicators by which management monitors the performance of the business. The Non-Financial Key Performance Indicators are customer satisfaction, land bank status, planning performance, health and safety performance, and employee retention and turnover.

Revenues for the period increased by 107.1% to £47,921,451 (2005 £23,138,297), which is partly due to the increase in the accounting period from 466 days in the prior period to 549 days in the current period. The main movements were the 124.0% increase in sales volumes and a 2.6% decrease in average unit price.

Average selling price per unit fell 2.6% during the period from £211,078 to £205,671. This was caused by the changes in the mix of house types combined with the effects of increasing sales incentives on certain sites as required by market conditions.

The gross profit for the period increased from £4,148,236 to £8,558,275, which is again partly due to the increase in the accounting period from 466 days to 549 days. Gross margin remained the same at 17.9% in both periods.

Operating margin was 1.8% (2005 7.8%). There were two main reasons for this decrease. Firstly, prior to the acquisition by David Wilson Homes, the Company incurred increased charges in relation to the costs of Robard Consultants Limited, which provides the services of C Houlihan and K Spencer. Secondly, the margin was reduced by 3.4% due to £1,605,527 (2005 £nil) of payments for compensation for loss of office.

The principal risk that faces the Company is market risk, being the strength of the housing market in the northwest of England.

The Directors do not anticipate any significant changes in the activity of the Company in the foreseeable future.

Roland Bardsley Homes Limited

Directors' Report (continued)

Result and dividend

The loss before taxation for the period amounted to £376,009 (2005 £575,319 profit). During the period, unlawful dividends in excess of available distributable reserves of £300,000 (2005 £260,832) were paid following the hive up of the subsidiary and the subsequent write-downs against intra-group balances. These amounts and accrued interest of £43,511 (2005 £4,104) have subsequently been reclassified as shareholders' loans.

In addition, no interim dividend was paid during the period (2005 £565,251). The Directors do not recommend the payment of a final dividend (2005 £nil).

Post balance sheet events

On 26th April 2007, an order of the High Court sanctioning a Scheme of Arrangement was registered with the Registrar of Companies and became effective, pursuant to which Barratt Developments PLC acquired the entire issued share capital of Wilson Bowden Limited (formerly Wilson Bowden plc). Barratt Developments PLC became the Company's ultimate parent company from this date.

On 26th June 2007, the House of Commons approved the Finance Bill 2007. The reduction in the standard rate of Corporation tax from 30% to 28% with effect from 1 April 2008 was therefore substantively enacted at the date of approval of these financial statements. The tax assets and liabilities recorded in these financial statements have not been adjusted to reflect the change in tax rates as the Bill was not substantively enacted at the Balance Sheet date.

Financial risk management

Credit risk

The Company has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers. Financial instrument counterparties are subject to pre-approval by the Board of Directors. The amount of exposure to any individual counterparty is subject to a limit set by the Directors and is regularly reassessed.

Directors

The Directors who served the Company during the period and subsequently were as follows:

A Bardsley	(resigned 26th April 2006)
S A Bardsley	(resigned 26th April 2006)
K Spencer	(resigned 26th April 2006)
C Houlihan	(resigned 26th April 2006)
J H Alcock	(resigned 26th April 2006)
D J Ashworth	(resigned 26th April 2006)
P Harper	(resigned 26th April 2006)
H Mears	(resigned 15th March 2007)
R Pinder	(resigned 26th April 2006)
R J R Brooke	(appointed 26th April 2006)
G M Brown	(appointed 26th April 2006 and resigned 21st September 2006)
G C Crisp	(appointed 26th April 2006 and resigned on 30th June 2007)
S J Boyes	(appointed 11th June 2007)
C Fenton	(appointed 11th June 2007)
M A Pain	(appointed 11th June 2007)
M S Clare	(appointed 11th June 2007)
L Dent	(appointed 11th June 2007)

Roland Bardsley Homes Limited

Directors' Report (continued)

Directors' interest in shares

None of the Directors who held office at the end of the financial period had any disclosable interests in the shares of the Company

G M Brown was also a Director of Wilson Bowden plc until his resignation on 31st December 2006 and his interests in the share capital of the holding company are disclosed in that company's financial statements

R J R Brooke is also a Director of David Wilson Homes Limited and his interests in the share capital of the holding company are disclosed in that company's financial statements

G C Crisp was also a Director of David Wilson Homes Limited and his interests in the share capital of the holding company are disclosed in that company's financial statements

Employees

It is the Company's policy that employment opportunities, training, career development and promotion should be available to all, irrespective of age, gender, ethnic origin, religion or disability. Due consideration is given to applications for employment from disabled persons having regard to the particular aptitudes and abilities of the applicants concerned. Any employee who develops disability during employment is given the opportunity of retraining for alternative employment where practicable, given the nature of the Company's activities.

There are specific arrangements to keep all employees informed on matters of concern to them and to encourage their involvement in the Company's performance.

Donations

Donations during the year for educational purposes, to charity and to local causes amounted to £6,721 (2005 £5,495). No donations were made for political purposes (2005 £nil).

Supplier payment policy

The Company's policy with regard to the payment of suppliers is to advise suppliers when placing orders of the Company's payment terms or, alternatively, to agree payment terms prior to order.

It is policy to pay in accordance with agreed arrangements which, within the industry, include the evaluation by surveyors of the value of work completed and retentions for remedial work.

The Company's trade creditor days at 31st December 2006 were 41 days (2005 107 days) based on the ratio of the Company's trade creditors at the end of the year to amounts invoiced during the period.

Roland Bardsley Homes Limited

Directors' Report (continued)

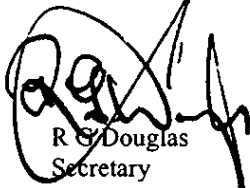
Auditors

Each of the persons who is a Director at the date of approval of these financial statements confirms that

- So far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- The Director has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors. In accordance with section 385 of the Companies Act 1985, a resolution proposing the reappointment of Deloitte & Touche LLP as auditors to the Company will be put to the Annual General Meeting



R G Douglas
Secretary
15th August 2007

Roland Bardsley Homes Limited

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Under the law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law)

The Directors are required by UK company law to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company as at the end of the financial period

The Directors consider that, in preparing the financial statements, the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates, and that all accounting standards which they consider to be applicable have been followed

The Directors have responsibility for ensuring that the Company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and which enable them to ensure that the financial statements comply with UK company law

The Directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities

Independent Auditors' Report to the members of Roland Bardsley Homes Limited

We have audited the financial statements of Roland Bardsley Homes Limited for the period ended 31st December 2006 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Accounting Policies and the related notes 1 to 25. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors

The Directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and other transactions is not disclosed.

Roland Bardsley Homes Limited

Independent Auditors' Report to the members of Roland Bardsley Homes Limited (continued)

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31st December 2006 and of its loss for the period then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Birmingham
United Kingdom
15th August 2007

Roland Bardsley Homes Limited

Profit and Loss Account for the period ended 31st December 2006

	<i>Note</i>	Period from 1st July 2005 to 31st December 2006 £	Period from 22nd March 2004 to 30th June 2005 £
Turnover	1	47,921,451	23,138,297
Cost of sales		(39,363,176)	(18,990,061)
Gross profit		8,558,275	4,148,236
Administration expenses		(7,682,656)	(2,477,198)
Other operating income	2	-	122,918
Operating profit	3	875,619	1,793,956
Interest receivable		148,221	93,613
Interest payable	4	(1,399,849)	(1,312,250)
(Loss)/profit on ordinary activities before taxation		(376,009)	575,319
Taxation on (loss)/profit on ordinary activities	5	(309,645)	(1,135,465)
Loss on ordinary activities after taxation		(685,654)	(560,146)

All amounts relate to continuing operations

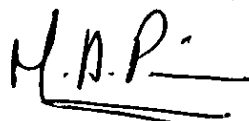
There are no recognised gains and losses for the current and preceding financial period other than the loss shown above. Accordingly, no Statement of Total Recognised Gains and Losses has been presented.

Roland Bardsley Homes Limited

Balance Sheet as at 31st December 2006

	<i>Note</i>	31st December 2006 £	30th June 2005 (Restated – note 8,10) £
Fixed assets			
Tangible assets	7	-	658,660
Investments	8	-	2
		-	658,662
Current assets			
Stock	9	34,120,997	36,652,333
Debtors	10	9,001,063	12,393,476
Cash at bank and in hand		56,228	1,248
		43,178,288	49,047,057
Creditors amounts falling due within one year	12	(26,415,734)	(31,982,289)
Net current assets		16,762,554	17,064,768
Total assets less current liabilities		16,762,554	17,723,430
Creditors amounts falling due after more than one year	13	-	(275,222)
Net assets		16,762,554	17,448,208
Capital and reserves			
Called up share capital	14	99	99
Share premium account	15	18,573,506	18,573,506
Profit and loss account deficit	16	(1,811,051)	(1,125,397)
Shareholders' funds	17	16,762,554	17,448,208

The financial statements were approved by the Board on 15th August 2007 and signed on its behalf by



M A Pain
Director

Roland Bardsley Homes Limited

Accounting Policies

Basis of preparation

The financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards and the historical cost convention. The Company has taken the exemption from preparing Group financial statements as permitted by section 228 of the Companies Act 1985. These financial statements present information about the Company as an individual not group undertaking.

Changes in accounting policy

Where relevant, the requirements of all new Accounting Standards and pronouncements, whose implementation dates were during the period, have been adopted.

The adoption of the following Financial Reporting Standards ('FRSs') had no significant impact upon these financial statements, FRS21 'Events after the Balance Sheet Date', FRS25 'Financial Instruments: Disclosure and Presentation' and FRS28 'Corresponding Amounts'.

Although FRS20 'Share-based Payment' is not compulsory for unlisted entities until periods commencing after 1 January 2006, the Company has chosen to adopt the standard early so that the treatment in the subsidiary entities of Wilson Bowden plc is consistent with that adopted by the Group. The impact of the adoption of FRS20 is shown in note 24.

The Company has a number of deferred equity scheme debtors. In accordance with the accounting policy of the acquiring company, David Wilson Homes Limited, these have been reclassified from investments to debtors in the prior year. This has resulted in a decrease in fixed assets of £226,475 and an increase in current assets of £226,475. There has been no impact on net assets of profit for the Company in either the current or prior year.

Turnover

The Company's business is conducted through a single class of business, being that of residential development in the United Kingdom.

Turnover comprises the amount receivable for goods and services supplied to customers during the period, and excludes intra-group transactions and value added tax. Proceeds from the sale of part exchanged houses and undeveloped land are excluded from turnover.

Proceeds from the sale of newly constructed houses are included in turnover on legal completion.

Investments

Investments held as fixed assets are stated at cost less any provision for impairment.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. All classes of tangible fixed assets are recorded at cost.

Upon acquisition of the Company by David Wilson Homes Limited, the depreciation rates applied by the Company were adjusted to those applied by David Wilson Homes Limited. In the opinion of the Directors these rates provide a more appropriate method of writing down the cost or valuation of the fixed assets less any residual value over their expected useful life. This change in accounting estimate resulted in a charge of £134,839 to the profit and loss account in the period.

Following this change of estimation technique, depreciation is provided on the original cost of assets in equal annual instalments at the following rates:

Plant, equipment and vehicles - rates between 10% and 20%

Assets with short economic lives (such as computers and scaffolding) are depreciated at rates between 20% and 50%.

Stocks and work in progress

Stocks, including land held for development and completed and part exchange houses, and residential work in progress are valued at the lower of cost, including attributable overheads, and net realisable value.

Roland Bardsley Homes Limited

Accounting Policies (continued)

Hire purchase agreements

Where an asset is acquired under a finance lease the asset is capitalised and the corresponding liability to the leasing company is included in obligations under finance leases. Depreciation on leased assets is charged to the profit and loss account at rates calculated to write off the capitalised value of the asset over the shorter of its expected useful life and the term of the lease. Leasing payments are treated as consisting of capital and interest elements and the interest is charged to the profit and loss account so as to give a constant periodic charge.

Operating leases

The annual rentals in respect of operating leases are charged to trading profits on a straight line basis over the term of the lease.

Taxation

UK corporation tax is provided on taxable profits at the current rate.

Deferred taxation is recognised on all timing differences where the transaction or events that gave rise to an obligation to pay more tax, or a right to pay less tax, at a future date, have occurred by the balance sheet date at rates expected to apply when they crystallise based on current tax rates and law. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is measured on a non-discounted basis.

Pensions

The Group operates a number of defined contribution pension schemes for certain employees. The Company's contributions to the schemes are charged against profits in the year in which the contributions are made.

Cashflow

The Company is a wholly owned subsidiary of Wilson Bowden plc and the cashflows of the Company are included in the consolidated group cashflow statement of Wilson Bowden plc. Consequently, the Company is exempt under the terms of FRS1 (Revised 1996) from the requirement to publish a cashflow statement.

Share-based payments

The Group issues equity-settled share-based payments to certain employees and has applied the requirements of FRS20 'Share-based Payment'. In accordance with the transitional provisions, FRS20 has been applied to all grants of equity instruments after 7th November 2002 that had not vested as at 1st January 2005.

Equity-settled share-based payments are measured at fair value at the date of grant. The fair value is expensed on a straight line basis over the vesting period, based on the Company's estimate of shares that will eventually vest.

Financial instruments

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Trade receivables

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Trade receivables on extended terms are recorded at their fair value at the date of the transaction. The discount to nominal value is amortised over the period of the credit term and credited to interest costs.

Trade payables

Trade payables on normal terms are not interest bearing and are stated at their nominal value.

Trade payables on extended terms are recorded at their fair value at the date of acquisition of the asset to which they relate. The discount to nominal value is amortised over the period of the credit term and charged to interest costs.

Roland Bardsley Homes Limited

Accounting Policies (continued)

Financial instruments (continued)

Bank borrowings

Where bank agreements include a legal right of offset for in hand and overdraft balances, and the Group intend to net settle the outstanding position, the offset arrangements are applied to record the net position

Borrowing costs are recorded in the period to which they relate

Roland Bardsley Homes Limited

Notes to the Financial Statements for the period ended 31st December 2006

1 Turnover

Turnover represents the amount derived from the provision of goods and services which fall within the Company's ordinary activity of residential development, stated net of valued added tax. The turnover is wholly generated in the UK.

2 Other operating income

	Period from 1st July 2005 to 31st December 2006 £	Period from 22nd March 2004 to 30th June 2005 £
Sale of ground rents	-	122,918
	-	122,918

3 Operating profit

	Period from 1st July 2005 to 31st December 2006 £	Period from 22nd March 2004 to 30th June 2005 £
Operating profit is stated after charging		
Operating leases		
- Plant and machinery	110,445	143,385
- Land and buildings	118,164	75,836
Depreciation of tangible fixed assets		
- owned assets	152,070	130,030
- leased assets	123,991	63,848
Loss on disposal of tangible fixed assets	31,324	22,760

The remuneration of the auditors, Deloitte & Touche LLP, which was all for audit services, of £15,000 (2005 £nil) was borne by another group company and is not recharged.

The remuneration of the previous auditors, Baker Tilly, in the prior period was £15,500 for audit services and £11,475 for non-audit services.

Directors and employees

	Period from 1st July 2005 to 31st December 2006 £	Period from 22nd March 2004 to 30th June 2005 £
Wages and salaries	5,803,600	5,733,733
Social security costs	593,671	574,544
Pension costs	152,435	148,894
Compensation for loss of office	1,605,527	-
Share-based payments	75	-
	8,155,308	6,457,171

Roland Bardsley Homes Limited

Notes to the Financial Statements for the period ended 31st December 2006 (continued)

3. Operating profit (continued)

	Period from 1st July 2005 to 31st December 2006 Number	Period from 22nd March 2004 to 30th June 2005 Number
Average number employed including executive		
Directors		
Management	16	26
Administrative	41	51
Productive	85	145
	<u>142</u>	<u>222</u>
Directors	Period from 1st July 2005 to 31st December 2006 £	Period from 22nd March 2004 to 30th June 2005 £
The Directors' aggregate emoluments in respect of qualifying services were		
Emoluments	835,775	487,546
Pension contributions	45,985	37,087
Compensation for loss of office	955,767	-
	<u>1,837,527</u>	<u>524,633</u>
Highest paid Director - emoluments	14,974	128,171
- compensation for loss of office	450,556	-
- pension contributions	-	9,478
	<u>465,530</u>	<u>137,649</u>

Five (2005 four) Directors were accruing benefits under Company money purchase pension schemes in respect of qualifying services

In addition to the above, Robard Consultants Limited made available to the Company services of C Houlihan and K Spencer. Management charges paid to Robard Consultants Limited for their services during the period amounted to £1,841,200 (2005 £626,668)

G M Brown was a Director of Wilson Bowden plc until his resignation on 31st December 2006 and his emoluments are disclosed in that company's accounts. R J R Brooke is a Director of David Wilson Homes Limited and his emoluments are disclosed in that company's accounts. G C Crisp was a Director of David Wilson Homes Limited and his emoluments are disclosed in that company's accounts. G M Brown, R J R Brooke and G C Crisp received no separate emoluments in respect of their services to this Company.

Pension costs

The group operates a number of defined contribution pension schemes for certain employees under which the Company has no obligation, other than to make regular contributions to independent investment managers at a predetermined proportion of each participating employee's salary. The Company's contributions to these defined contribution pension schemes amounted to £152,435 (2005 £148,894) and are charged against the profits of the period in which the contributions are made.

Roland Bardsley Homes Limited

Notes to the Financial Statements for the period ended 31st December 2006 (continued)

4 Interest payable

	Period from 1st July 2005 to 31st December 2006 £	Period from 22nd March 2004 to 30th June 2005 £
Bank overdrafts and short term interest	1,385,438	1,264,960
Interest on overdue corporation tax	-	21,953
Finance charges	14,411	25,337
	<u>1,399,849</u>	<u>1,312,250</u>

5 Taxation

	Period from 1st July 2005 to 31st December 2006 £	Period from 22nd March 2004 to 30th June 2005 £
Current taxation		
In respect of the period		
UK corporation tax on (loss)/profit of the period	168,334	874,806
Adjustment in respect of prior periods	141,349	260,659
Total current tax	<u>309,683</u>	<u>1,135,465</u>
Deferred taxation		
Origination and reversal of timing differences	(38)	-
Total deferred tax	<u>(38)</u>	<u>-</u>
Tax on (loss)/profit on ordinary activities	<u>309,645</u>	<u>1,135,465</u>

	Period from 1st July 2005 to 31st December 2006 £	Period from 22nd March 2004 to 30th June 2005 £
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Factors affecting tax charge for period

The tax assessed for the period is higher (2005 higher) than the standard rate of corporation tax in the UK of 30% (2005 30%). The differences are explained below

(Loss)/profit on ordinary activities before tax	<u>(376,009)</u>	<u>575,319</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK 30% (2005 30%)	(112,803)	172,596
Effects of		
Expenses not deductible for tax purposes	280,721	718,813
Capital allowances in excess of depreciation	378	-
Other timing differences	38	-
Group relief claimed	-	(16,603)
Adjustments in respect of prior periods	141,349	260,659
Current tax charge for period	<u>309,683</u>	<u>1,135,465</u>

Roland Bardsley Homes Limited

Notes to the Financial Statements for the period ended 31st December 2006 (continued)

6 Dividends

	Period from 1st July 2005 to 31st December 2006 £	Period from 22nd March 2004 to 30th June 2005 £
The following dividends have been paid in respect of the period		
Dividend paid on ordinary shares		
£nil per share (2005 £5,709 61 per share)	-	565,251

7 Tangible fixed assets

	Plant & Machinery £	Fixtures, Fittings & Equipment £	Motor Vehicles £	Total £
Cost or valuation:				
At 30th June 2005	1,820,479	598,541	266,532	2,685,552
Additions	98,735	23,242	8,039	130,016
Disposals	(546,675)	(586,403)	(61,104)	(1,194,182)
Amounts transferred to other Group companies	(1,372,539)	(35,380)	(213,467)	(1,621,386)
At 31st December 2006	-	-	-	-
Depreciation:				
At 30th June 2005	1,277,384	540,760	208,748	2,026,892
Charge for period	234,279	16,050	25,732	276,061
On disposals	(521,036)	(533,223)	(42,372)	(1,096,631)
Amounts transferred to other Group companies	(990,627)	(23,587)	(192,108)	(1,206,322)
At 31st December 2006	-	-	-	-
Net book value				
At 31st December 2006	-	-	-	-
At 30th June 2005	543,095	57,781	57,784	658,660

The net book value of motor vehicles, plant and machinery and fixtures, fittings and equipment includes £nil (2005 £343,415) in respect of assets held under finance leases. The depreciation charged on these assets during the period amounted to £123,991 (2005 £63,848).

Roland Bardsley Homes Limited

Notes to the Financial Statements for the period ended 31st December 2006 (continued)

8 Fixed asset investments

	Shares in subsidiaries £
Cost:	
At 30th June 2005 (restated)	2,309,834
Disposals	(2)
At 31st December 2006	<u>2,309,832</u>
Provision against investment:	
At 30th June 2005 and 31st December 2006	<u>2,309,832</u>
Net book value:	
At 31st December 2006	<u>-</u>
At 30th June 2005	<u>2</u>

The undermentioned is a wholly owned subsidiary company, incorporated in England

	Principal activity
North West Land Developments Limited	Dormant

On 26th April 2006, the Company disposed of 100% of the share capital of Roland Bardsley (IT) Limited for consideration of £nil

In accordance with the accounting policy of the acquiring company, David Wilson Homes Limited, deferred share equity scheme debtors have been reclassified from investments to debtors (note 10) in the prior year. This has resulted in a decrease in fixed asset investments of £226,475

9 Stock

	31st December 2006 £	30th June 2005 £
Raw materials and consumables	72,833	41,621
Work in progress	16,522,198	17,585,503
Land held for redevelopment	16,073,608	16,283,814
Part-exchange properties	<u>1,452,358</u>	<u>2,741,395</u>
	<u>34,120,997</u>	<u>36,652,333</u>

Roland Bardsley Homes Limited

Notes to the Financial Statements for the period ended 31st December 2006 (continued)

10	Debtors	31st December 2006 £	30th June 2005 (Restated) £
	Trade debtors	427,626	34,569
	Amounts owed by related undertakings	-	11,181,735
	Amounts owed by group undertakings	7,060,476	-
	Other debtors	53,836	492,706
	Directors' and shareholders' current accounts (note 21b)	604,343	328,988
	Deferred shared equity scheme	28,975	226,475
	Corporation tax	825,807	-
	Prepayments and accrued income	-	129,003
		<u>9,001,063</u>	<u>12,393,476</u>

Other debtors includes a deferred tax asset of £38 (2005 £nil)

In accordance with the accounting policy of the acquiring company, David Wilson Homes Limited, deferred share equity debtors have been reclassified from investments (note 8) to debtors in the prior year. This has resulted in an increase in debtors of £226,475.

£21,253 has been reclassified from trade debtors to amounts owed by related undertakings in the prior year.

11	Deferred taxation	31st December 2006 £	30th June 2005 £
	Balance brought forward	-	-
	Profit and loss account movement arising during the period	38	-
	Balance carried forward	<u>38</u>	<u>-</u>

The balance of deferred taxation account consists of the tax effect of timing differences in respect of

	31st December 2006 £	30th June 2005 £
Short term timing differences	<u>38</u>	<u>-</u>
	<u>38</u>	<u>-</u>

The deferred tax asset is included within other debtors in note 10.

Roland Bardsley Homes Limited

Notes to the Financial Statements for the period ended 31st December 2006 (continued)

12 Creditors: amounts falling due within one year

	31st December 2006 £	30th June 2005 (Restated) £
Bank loans and overdrafts	-	25,470,766
Trade creditors	366,108	2,040,579
Amounts owed to group undertakings	24,409,237	105,168
Amounts owed to related parties	-	2,306,765
Other taxes and social security	-	211,402
Corporation tax	-	960,818
Payments in advance	41,954	-
Other creditors	250,197	217,251
Accruals and deferred income	1,348,238	533,525
Finance leases and hire purchase contracts (see note 13)	-	136,015
	<u>26,415,734</u>	<u>31,982,289</u>

Finance leases and hire purchase liabilities are secured upon the underlying assets

£590,208 has been reclassified from trade creditors to amounts owed by related undertakings in the prior period

13 Creditors: amounts falling due after more than one year

	31st December 2006 £	30th June 2005 £
Finance leases and hire purchase contracts	-	275,222
	<u>-</u>	<u>275,222</u>
	31st December 2006 £	30th June 2005 £
Finance leases and hire purchase contracts:		
Amounts falling due		
Within 1 year	-	136,015
In the second to fifth year	-	275,222
	<u>-</u>	<u>411,237</u>

Roland Bardsley Homes Limited

Notes to the Financial Statements for the period ended 31st December 2006 (continued)

14 Called up share capital

	31st December 2006 £	30th June 2005 £
Authorised share capital		
'A' Ordinary shares of 1p each	800	800
'B' Ordinary shares of 1p each	100	100
'C' Ordinary shares of 1p each	100	100
	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
7,864 1p 'A' ordinary shares	79	79
1,000 1p 'B' ordinary shares	10	10
1,000 1p 'C' ordinary shares	10	10
	<u>99</u>	<u>99</u>

All the shares rank pari passu with regards to capital and voting rights. With regards to income, a dividend may be paid either equally on all classes, or on one or more classes to the exclusion of the other classes, differentiating between such classes as to the amount or percentage of dividend payable.

15 Share premium account

	£
At 30th June 2005 and 31st December 2006	<u>18,573,506</u>

The Company acquired the trade, assets and liabilities of Halco 1021 on 19th July 2004 for £18,573,605. Consideration was satisfied by the issue of 9,864 1p ordinary shares resulting in a share premium account of £18,573,506.

16 Profit and loss account deficit

	£
At 30th June 2005	(1,125,397)
Loss for the period	<u>(685,654)</u>
At 31st December 2006	<u>(1,811,051)</u>

17 Reconciliation of shareholders' funds

	31st December 2006 £	30th June 2005 £
Loss for the financial period	(685,654)	(560,146)
Dividends (note 6)	-	(565,251)
	<u>(685,654)</u>	<u>(1,125,397)</u>
Issue of share capital	-	18,573,605
Net (reduction) in/addition to shareholders' funds	<u>(685,654)</u>	<u>17,448,208</u>
Opening shareholders' funds	17,448,208	-
Closing shareholders' funds	<u>16,762,554</u>	<u>17,448,208</u>

Roland Bardsley Homes Limited

Notes to the Financial Statements for the period ended 31st December 2006 (continued)

18 Operating lease commitments

At the period end the Company had annual commitments under non-cancellable operating leases as set out below

	31st December 2006		30th June 2005	
	Land and buildings	Other	Land and buildings	Other
	£	£	£	£
Operating leases which expire				
Within 1 year	-	-	-	32,559
Within 1 to 2 years	-	-	-	26,999
Within 2 to 5 years	-	-	92,187	32,952
	-	-	92,187	92,510

19 Capital commitments

Capital expenditure authorised and contracted for up to 31st December 2006 but not provided in the accounts amounted to £nil (2005 £nil)

20 Immediate and ultimate parent company

The immediate parent company is David Wilson Homes Limited a company incorporated in Great Britain and registered in England

The ultimate parent company and controlling party is Barratt Developments PLC a company incorporated in Great Britain and registered in England

The largest and smallest group in which the Company is consolidated was Wilson Bowden plc for the period ended 31st December 2006 and is Barratt Developments PLC for future periods

21a) Related party transactions

As the company became a wholly owned subsidiary of Wilson Bowden plc on 26th April 2006, it has taken advantage of the exemption contained in FRS8 'Related Party Disclosures' not to disclose transactions with other companies within the Wilson Bowden plc group from the date of acquisition to the year end

Transactions took place with the following companies under the control of the Bardsley Family

	Period from 1st July 2005 to 31st December 2006		Period from 22nd March 2004 to 30th June 2005	
	Recharges	Sales	Recharges	Sales
	£	£	£	£
Roland Bardsley (IT) Limited	121,922	-	146,005	-
Hallco 1022 Limited	117,763	31,993	92,187	17,817
Bardsley Construction Limited	3,157	377,987	10,802	803,068
Robard Consultants Limited	1,841,200	-	781,080	-
Microflow (Europe) Limited	-	27,728	282	26,017
Carriages Leisure Centre	-	-	-	10,215
Swan Hotel (Newby Bridge) Limited	500	5,775	280	5,500
Scorch Media	-	5,107	-	-
Ruskin Hotel (Blackpool) Limited	-	5,656	-	-
Bardsley Civils Limited	-	4,350	-	-

The balances owed by each related undertaking at the end of the year were as follows

Roland Bardsley Homes Limited

Notes to the Financial Statements for the period ended 31st December 2006 (continued)

21a) Related party transactions (continued)

	31st December 2006		30th June 2005	
	£	£	£	£
	Included within debtors	Included within creditors	Included within debtors	Included within creditors
Roland Bardsley (IT) Limited	-	-	-	105,168
Hallco 1022 Limited	-	-	9,455,905	1,284,675
Bardsley Construction Limited	-	-	1,533,025	543,010
Robard Consultants Limited	-	-	121,110	479,080
Microflow (Europe) Limited	-	-	1,318	-
Carriages Leisure Centre Limited	-	-	65,237	-
Swan Hotel (Newby Bridge) Limited	-	-	350	-
Scorch Media	-	-	4,790	-
Ruskin Hotel (Blackpool) Limited	-	-	-	-
Bardsley Civils Limited	-	-	-	-
	-	-	11,181,735	2,411,933

Also included within amounts due from related parties is £nil (2005 £5,724) owed by W R Bardsley

21b) Directors and shareholders' loan accounts

At 31st December 2006 Mr C Houlihan owed £nil (2005 £59,534) to the Company. The maximum amount outstanding during the period was £60,183 (2005 £59,534)

At 31st December 2006 Miss S Bardsley owed £nil (2005 £4,518) to the Company. The maximum amount outstanding during the period was £17,735 (2005 £4,518)

In the period ended 30th June 2005, unlawful dividends of £260,832 were paid following the hive up of the subsidiary and the subsequent write downs against intra-group balances. These were reclassified as shareholders loans in the period ended 30th June 2005 and interest of £4,104 was accrued in the period ended 30th June 2005 and £21,532 in the period ended 31st December 2006. At 31st December 2006 £260,832 of these loans plus accrued interest of £25,636 remained outstanding.

In the period ended 31st December 2006, unlawful dividends of £300,000 were paid following the hive up of the subsidiary and the subsequent write downs against intra-group balances. These were reclassified as shareholders loans in the period ended 31st December 2006 and interest of £17,875 was accrued. At 31st December 2006, £300,000 of these loans plus £17,875 accrued interest remained outstanding.

22 Contingent liabilities

The Company has entered into counter indemnities in the normal course of business in respect of performance bonds. In addition, the Company has commitments for the purchase of trading stock entered into in the normal course of business.

23 Financial instruments

As the Company is wholly owned by Wilson Bowden plc, it has taken advantage of the exemption in paragraph 3C of FRS25 'Financial Instruments: Disclosure and Presentation' from providing financial instruments disclosures as these are included within the consolidated financial statements of Wilson Bowden plc.

Roland Bardsley Homes Limited

Notes to the Financial Statements for the period ended 31st December 2006 (continued)

24 Share-based payments

Directors and employees of the Company participate in the share incentive schemes provided by Wilson Bowden plc. Details of the Group's share incentive schemes are given within the Directors' Remuneration Report of the ultimate parent company, Wilson Bowden plc.

Movement in outstanding options

	Period from 1st July 2005 to 31st December 2006		Period from 22nd March 2004 to 30th June 2005	
	Options Number	Weighted average share price Pence	Options Number	Weighted average share price Pence
WBSRSOS				
Outstanding at the beginning of the period	-	-	-	-
Granted during the period	424	1,590	-	-
Exercised during the period	-	-	-	-
Forfeited during the period	-	-	-	-
Outstanding at the end of the period	424	1,590	-	-
Exercisable at the end of the period	-	-	-	-

Options and PSP scheme outstanding at 31st December 2006

At 31st December 2006, all outstanding options to purchase ordinary shares and performance share plan shares in Wilson Bowden plc, in accordance with the terms of the applicable scheme, are as follows

Dates between which options are exercisable	31st December 2006 Number	30th June 2005 Number	Price per share
Wilson Bowden plc Savings Related Share Option Scheme			
1 12 2009 – 31 5 2010	260	-	1,590
1 12 2011 – 31 5 2012	164	-	1,590
Total number of shares under option	424	-	1,590

Income statement charge

Wilson Bowden plc Savings Related Share Option Scheme

A charge to the income statement has been made for options issued on or after 7th November 2002 that had not vested as at 1st January 2005 in accordance with IFRS2 'Share-based Payments'. The weighted average fair value of the options issued on or after 7th November 2002 to the balance sheet date was £4.18 (2005: £nil) per option. The weighted average fair value of share options granted during the period was £4.18 (2005: £nil). The weighted average inputs to the Black-Scholes model are as follows:

	Period from 1st July 2005 to 31st December 2006	Period from 22nd March 2004 to 30th June 2005
	Grants	Grants
Average share price	1,768p	-
Average exercise price	1,590p	-
Expected volatility	24.1%	-
Expected life	4.0 years	-
Risk free rate	4.9%	-
Expected dividends	3.1%	-

Expected volatility was determined by reference to the historical volatility of the Group's share price over a period consistent with the expected life of the options. The expected life used in the model has been adjusted based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Roland Bardsley Homes Limited

Notes to the Financial Statements for the period ended 31st December 2006 (continued)

24 Share-based payments (continued)

Total expense

The Company recognised an expense of £75 (2005 £nil) in respect of equity-settled share-based transactions in the period ended 31st December 2006. As at 31st December 2006 liabilities of £53 (2005 £nil) were recognised in respect of share-based payments.

25 Post balance sheet events

On 26th April 2007, an order of the High Court sanctioning a Scheme of Arrangement was registered with the Registrar of Companies and became effective, pursuant to which Barratt Developments PLC acquired the entire issued share capital of Wilson Bowden Limited (formerly Wilson Bowden plc). Barratt Developments PLC became the Company's ultimate parent company from this date.

On 26th June 2007, the House of Commons approved the Finance Bill 2007. The reduction in the standard rate of Corporation tax from 30% to 28% with effect from 1 April 2008 was therefore substantively enacted at the date of approval of these financial statements. The tax assets and liabilities recorded in these financial statements have not been adjusted to reflect the change in tax rates as the Bill was not substantively enacted at the Balance Sheet date.